

Increased work stoppages

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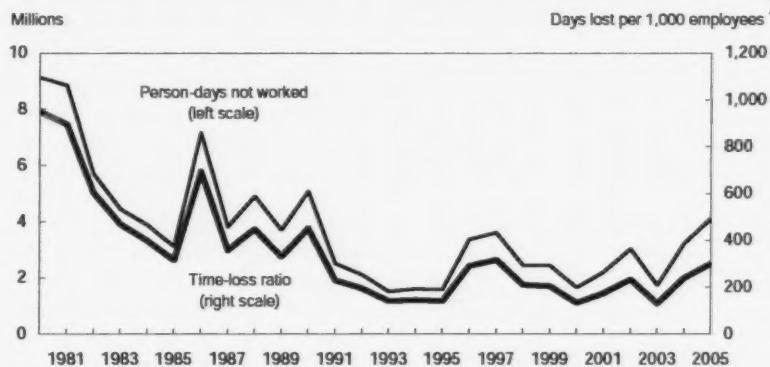
Time lost to strikes and lockouts has always attracted widespread attention because of the economic and social upheavals that often accompany industrial disputes. Given increasing economic globalization and trade liberalization, the interest appears to be gaining strength since international differences can influence corporate decisions on plant or office location (see *Differing collection methods*). Available statistics demonstrate considerable improvement in Canadian industrial relations over the years. However, a surge in strikes and lockouts and the resulting time lost in the past couple of years may be a source of concern.

Using Statistics Canada's Labour Force Survey and information compiled by Human Resources and Social Development Canada, this study briefly examines trends in work stoppages over the past 25 years. Particular attention is focused on the most recent years (2003 to 2005) in an examination of their incidence by industry and jurisdiction (provincial or federal), the main areas of dispute, and how the stoppages ended.

Downward trend in days lost

Analysis of year-over-year changes and trends in labour-dispute statistics is always problematic. The annual data are affected by many factors, among them collective bargaining timetables (in particular, the

Chart Person-days not worked due to labour disputes and the time-loss ratio both trended down over most of the 1980s and 1990s, but appear to be edging up in the 2000s



Sources: Human Resources and Social Development Canada, Workplace Information Directorate; Statistics Canada, Labour Force Survey

number and duration of agreements), size of the parties involved, duration of the stoppages, state of the economy and labour market, changes in industrial relations legislation, and labour-management relations. Other contributing factors include changes in union density (the proportion of employees unionized), and union tactics. Isolating the effects of each of these numerous factors is a statistically daunting task, not attempted in this paper.

Nevertheless, the overall downward trends observed in both the number of industrial disputes and the resulting days lost during the 1980s and 1990s appear to have stalled somewhat in recent years (Chart).¹ Work stoppages due to strikes and lockouts fell from an annual average of 754 in the 1980s, to 394 in the 1990s, to 319 in the 2000s. Workdays lost averaged 5.5 million annually in the 1980s, 2.6 million in the 1990s, but 2.7 million in the 2000s (Table 1).

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Using a time-loss ratio of the number of workdays lost per 1,000 employees enables more meaningful comparisons of annual work-stoppage statistics. After thus controlling for the rise in employee numbers, the time-loss ratio reveals an overall declining trend: from an annual average of 541 workdays lost per 1,000 employees in the 1980s, to 233 in the 1990s, to 203 in the 2000s.

Time lost surges in 2004 and 2005

Despite the progress achieved in Canada's labour-relations statistics over the past few decades, the slight increase in the number of strikes and lockouts and the proportionately larger increases in the resulting workdays lost and time-loss ratios, especially in the last two years (2004 and 2005), raise concerns.

The number of strikes and lockouts beginning in each of 2004 and 2005 stalled at 261, but this was still slightly more than in the two preceding years. However, the number of workers involved in the disputes, the workdays lost, and the time-loss ratios all witnessed consecutive large increases. For example, workers involved in the 2005 stoppages totalled 429,000 (a five-fold jump from 2003), while the workdays lost, at 4.1 million, was almost 2.5 times the 2003 figure. Similarly, the time-loss ratio in 2005, at 301, was more than twice the level in 2003.

Some of the increase in workdays lost in the past two years can undoubtedly be apportioned to a rise in the number of workers involved (that is, relatively large unions were involved in the recent disputes) and also partly to the long duration of some of the stoppages.

Whatever the reasons, the timing of the latest increases raises questions. Could continuing declines in the unemployment rate and the emergence of pockets of labour shortage have played a part in the resurgence? Could these developments have spurred organized labour to flex its muscle?

Whether this is the beginning of a new trend is uncertain. What can be done now, however, is to look most closely at the nature of the

stoppages in recent years. In which jurisdictions did they occur? What were the major issues? And, how were they resolved? The answers could provide clues for minimizing future labour disputes.

Most disputes in 2003 to 2005 union initiated

According to Human Resources and Social Development Canada, bargaining timetables vary from union to union, but the average life

Table 1 Strikes and lockouts and person-days not worked

	Started	Work stoppages			Employees	Time-loss ratio ²
		Total ¹	Workers involved	Person-days not worked		
1980	952	1,028	452	9,130	9,621	949
1981	943	1,049	342	8,850	9,880	896
1982	611	679	464	5,702	9,461	603
1983	576	645	330	4,441	9,479	469
1984	653	716	187	3,883	9,732	399
1985	762	829	164	3,126	9,901	316
1986	657	748	486	7,151	10,313	693
1987	579	668	582	3,810	10,634	358
1988	483	548	207	4,901	10,936	448
1989	568	627	445	3,701	11,195	331
1990	519	579	271	5,079	11,250	451
1991	399	463	254	2,516	10,962	230
1992	353	404	152	2,110	10,803	195
1993	323	381	102	1,517	10,782	141
1994	312	374	81	1,607	11,030	146
1995	282	328	149	1,583	11,212	141
1996	297	330	276	3,269	11,250	291
1997	229	284	258	3,608	11,357	318
1998	341	381	244	2,444	11,641	210
1999	358	413	160	2,443	11,974	204
2000	321	379	144	1,657	12,391	134
2001	324	381	221	2,199	12,670	174
2002	246	294	168	3,033	12,996	233
2003	221	266	81	1,736	13,271	131
2004	261	298	260	3,225	13,494	239
2005	261	293	429	4,107	13,658	301

1 Total includes number beginning in year plus those continuing from previous year.

2 The number of workdays lost due to strikes and lockouts per 1,000 employees (Person-days not worked divided by Employees).

Sources: Human Resources and Social Development Canada, Workplace Information Directorate; Statistics Canada, Labour Force Survey

Differing collection methods

Because of differences in definitions and statistical coverage, international comparisons of labour dispute statistics must be made with caution.

Many countries rely on voluntary notification of a dispute to a national or local government department. In Canada, the data reflect all work stoppages that come to the notice of Human Resources and Social Development Canada's Workplace Information Directorate. Also, many countries, including Canada, do not measure work time lost at establishments whose employees are not involved in a dispute but who are unable to work because of a shortage of materials supplied by establishments on strike.

In addition, significant differences exist in the threshold used by countries to determine whether a particular stoppage should be entered in the official records. Most countries exclude small stoppages (judged by the number of workers involved, the length of the dispute, or the number of days lost) from the statistics. In particular, the threshold for inclusion is very high in the United States (1,000 workers) and in Denmark (100 workdays lost). In Canada, the threshold is 10 or more person-days lost.

Some countries also exclude disputes in certain industrial sectors. For example, Portugal excludes public-sector strikes. Several others exclude certain types of disputes: Portugal excludes general strikes, Japan excludes days lost in unofficial disputes, and the United Kingdom excludes so-called political work stoppages. No such exclusions exist in Canada.

Finally, the inclusion of workers indirectly involved in a stoppage, namely those who are unable to work because others at their workplace are on strike, varies among countries. Many countries, including the United States, the United Kingdom, France and Australia, attempt to include these workers while others, including Canada, Germany and Italy, exclude them. A complete description of international coverage and methodology differences is contained in a technical note in the journal *Labour Market Trends* (vol. 109, no. 4, p. 201), published by the U.K. Office for National Statistics.

of a collective bargaining contract is roughly three years. To obtain a better appreciation of industrial strife statistics in recent years, one needs to examine a dataset that more fully accommodates the different timetables. For this study, data covering 2003 to 2005 were pooled. Not only is this dataset more statistically robust, but also the chosen period captures information encompassing two different faces of the labour strife cycle: The year 2003 was relatively peaceful, while 2004 and 2005 were less so.

Of the 743 labour stoppages that commenced between 2003 and 2005, 622 (84%) were initiated by unions (strikes), and the rest by employers (lockouts). Approximately 7.9 million of the 9.1 million workdays lost (87%) were attributable to strikes (Table 2).

Large share of stoppages in Quebec, in manufacturing, and in education and health

Only 41 (6%) of the strikes and lockouts over the period occurred in areas under federal jurisdiction (workers under the Public Service and Staff Relations Act such as the federal public service, and those under the Canada Labour Code such as in banks and other financial institutions, and telecommunications). The rest occurred in areas under provincial jurisdiction. Quebec, the province with the highest union density, posted the largest share of strikes and lockouts (336 or 45%), followed by Ontario (230 or 31%). (For

Table 2 Strikes and lockouts and person-days not worked by jurisdiction, 2003 to 2005

	Strikes and lockouts		Days not worked	
	%	'000	%	'000
Canada	743	100	9,068	100
Newfoundland and Labrador	22	3.0	523	5.8
Prince Edward Island ¹	1	...
Nova Scotia	10	1.4	80	0.9
New Brunswick	19	2.6	177	2.0
Quebec	336	45.2	2,684	29.6
Ontario	230	31.0	1,385	15.3
Manitoba	20	2.7	47	0.5
Saskatchewan	19	2.6	104	1.1
Alberta	8	1.1	113	1.2
British Columbia	38	5.1	1,007	11.1
Total provincial	702	94.5	6,121	67.5
Total federal	41	5.5	2,947	32.5

¹ No new work stoppages were reported in Prince Edward Island for 2003 to 2005. The days not worked are from a stoppage that started in 2002.

Note: Data may not add to total due to rounding.

Sources: Human Resources and Social Development Canada, Workplace Information Directorate; Statistics Canada, Labour Force Survey

union densities by province, sector, and industry, see the update on unionization, also appearing in this issue of *Perspectives*.)

Despite the small number of stoppages registered, workers under federal jurisdiction recorded the largest share of days lost (33%), followed by Quebec (30%) and Ontario (15%). Areas under federal jurisdiction contain several large unions, and relatively long strikes involving workers in some large bargaining units in 2005 contributed to the high number of workdays lost. Workers in British Columbia witnessed just 5% of strikes and lockouts, but 11% of the total workdays lost during the period.

More than a quarter (29%) of the strikes and lockouts took place in manufacturing, followed by education, health and social services (21%) (Table 3). Information and cultural industries saw only 2%, but accounted for almost a quarter of all workdays lost. A long strike involving a few large unions contributed to the large number of workdays lost in this industry. Manufacturing (17%); education, health and social services (16%); and public administration (17%) also registered relatively large shares of workdays lost.

Most work stoppages centre on wages

A strike or lockout may be precipitated by more than one factor, but for those that commenced between 2003 and 2005, wages were the main bone of contention. Of respondents reporting a reason for the work stoppage, approximately one-half (51%) gave wages or non-wage benefits as the major one.² Another 35% cited delays in the bargaining process or lack of trust in the bargaining sincerity of the opponent. Another 9% saw job security and subcontracting as the major issues, while 5% mentioned poor working conditions, poor labour-management relations, and disrespect of union rights.

Most stoppages ended by agreement

The resolution of a work stoppage can take many forms. The most common is agreement between the opposing parties. Such agreements are often reached without a third party, but sometimes the services of an arbitrator or adjudicator are called upon. Of the strikes and lockouts resolved between 2003 and 2005, about 77% ended after agreement was reached between the opposing parties. Approximately 18% of stoppages ended by employees voluntarily returning to work, while in 2% of the disputes, special legislation was

Table 3 Strikes and lockouts and person-days not worked by major industry, 2003 to 2005

	Strikes and lockouts		Days not worked	
	%	'000	%	'000
All industries	743	100	9,068	100
Primary	19	2.6	454	5.0
Utilities	6	0.8	81	0.9
Construction	13	1.7	102	1.1
Manufacturing	212	28.5	1,572	17.3
Wholesale and retail trade	76	10.2	706	7.8
Transportation and warehousing	51	6.9	275	3.0
Information and cultural industries	12	1.6	2,202	24.3
Finance	48	6.5	82	0.9
Education, health and social services	159	21.4	1,454	16.0
Entertainment and hospitality	103	13.9	567	6.3
Public administration	44	5.9	1,573	17.3

Note: Data may not add to total due to rounding.

Sources: Human Resources and Social Development Canada, Workplace Information Directorate; Statistics Canada, Labour Force Survey

passed or an order from the Labour Relations Board was issued. Only a small proportion of work stoppages end with the closure of a plant or firm. For the 2003-to-2005 period, only 6 suffered this fate. About 13 stoppages were still continuing at the end of 2005.

Conclusion

The improvements recorded during the 1980s and 1990s in Canada's strike and lockout statistics appear to have stalled somewhat in recent years. Improvements recorded at the beginning of the decade were offset by a deterioration in 2004 and 2005.

Approximately 84% of the 743 work stoppages and 87% of the 9.1 million resulting workdays lost from 2003 to 2005 were initiated by unions, the rest by employers. Areas witnessing disproportionately large shares of stoppages and resulting time lost included Quebec; workers under federal jurisdiction; manufacturing; and education, health and social services. Wage disputes constituted the main reason for about one-half of work stoppages between 2003 and

2005, and lack of faith in the bargaining sincerity of the adversary accounted for about a third. Most of the stoppages (77%) ended through agreements reached between the adversaries (with or without third-party assistance). Only a handful ended through a forced court order or legislation, or plant closure.

At this point it is not possible to determine whether the recent surge in time lost is due to a general change in the labour relations environment or a confluence of workplace-specific factors. Continuing to monitor the situation is important, since a deteriorating labour climate can have broader economic consequences.

Perspectives

■ **Notes**

1 On the surface, it appears that business cycle effects on strikes and lockouts over the period have been minimal or inconsequential. For example, contrary to expectation, the numbers appear to be generally high during recession years as in the early 1980s, and low during the growth period preceding Y2K. Similarly, union density has been fairly flat, just over 30% for most of the period, even though both the strike statistics and time lost data fluctuated, suggesting that union density has had no perceptible influence on the series. Alternatively, any effects emanating from the business cycle or union density may have been offset by other factors.

2 Answers for the main reason(s) for the dispute were supplied in approximately one-third of the work stoppages observed.